



**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, Illinois 60602**

Minutes for the August 30, 2016 Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." **All committee recommendations are preliminary in nature; as such, they are subject to review and approval by the full Retirement Board.**

Call to Order and Roll Call.

Trustee Committee Members Present: Jack Fitzgerald, Diahann Goode, Andrew Jatico, Patrick McFadden, Joseph Nevius

Staff Present: Nickol Hackett, Executive Director, Brenda Deming, Rachelle Howliet, Gary LeDonne

Others Present: Jessica Streit and Chris Heppner, Segal Consulting

Public Comment.

Trustee Fitzgerald asked if anyone present would like to address the Committee. There being no public comment, the meeting continued.

Review and Consideration of July 28, 2016 Health Benefits Committee Meeting Minutes

It was moved by Trustee Goode, and seconded by Trustee Nevius to approve the May 28th, 2016 minutes.

Administrative Report

Ms. Howliet provided an update on a data cleanup project required as a compliance condition to qualify our members for pharmacy coverage due to the transition to the EGWP Plan. She reported that staff provided eligibility data to Silverscripts, wh matched it with Medicare's database. Of the 8,700

members, there were discrepancies totaling 1408, based on various data elements such as HICN (Medicare) numbers, dates of birth and name differences.

Ms. Howliet reported that staff reviewed the discrepancies, categorized them and then developed a plan for correction of each category. In some cases members were contacted and asked to substantiate the data Medicare provided. She reported that the file will be submitted weekly ongoing and staff will continue to make corrections and rerun the file. As of August 12th, there were a total of 187 remaining discrepancies.

Underwriting and Rate setting for 2017

Ms. Streit and Mr. Heppner of Segal Co. reported on medical plan cost drivers, historical medical plan trend and total projected plan costs and associated member premium rates for 2017 noted as follows:

Medical plan cost drivers

Large claims above \$25,000 account for 70% of claim dollars spent on only 9.9% of members in the plans available to nonMedicare members. Within that group, members who are above age 65 but ineligible for Medicare are driving up cost for the group as a whole. For 2017, this has resulted in added expense for the Fund and higher premium increases for members. The monthly per capita medical cost for under age 65 is projected to be \$888, while the over age 65 nonMedicare is at \$1,299 monthly.

The Trustees asked if it were possible in some instances for members to pay for Medicare part A if it were not available for free. They discussed some possible ways to research getting Medicare coverage for this group, and asked Staff to continue to research possible solutions.

Trend Projections - Medical

Over the past twelve month period through June 30, 2016, the UHC Choice Plan has had a 5% trend for non-Medicare, and the Choice Plus Plan had a 17.7% trend. Both Medicare Plans have had flat medical trend. For 2017, Segal has projected a 7% trend for non-Medicare plans, and a 5% trend for Medicare plans. According to Segal's methodology these prospective trends are based on industry reported data and not indicative of any specific claims attributable to individual CCPF plan members.

Trend Projections – Prescription Drug

Over the twelve month period ending June 30, 2016, the pharmacy trend began at 16% but ended June 30, 2016 at 3.5%. For 2017, the projected trend for non-Medicare is at 13.8%, and for Medicare eligible members, 15%.

Total Projected Annual Cost

Total annual plan cost for 2017 is projected to be \$95,500,016 based on enrollment as of August, 2016. Total Fund expense is expected to be \$53,416,248, net of rebates and EGWP subsidies valued at \$6,046,600, expected expense is reduced to \$47,369,648. The estimate included savings from the previously recommended changes to Caremark's formulary and also elimination of ED coverage.

Fund Subsidy

Segal presented the 2016 subsidy of the retiree medical plans as follows: Choice, Medicare and non-Medicare, and Choice Plus Medicare, members pay 48% and the Fund subsidizes 52%. For ChoicePlus nonMedicare, members pay 53% of the cost and the Fund subsidizes 47% of the cost. Trustee McFadden moved to continue the current subsidy arrangement and Trustee Nevius seconded the motion.

Trustee McFadden motioned to adjourn the meeting and Trustee Nevius seconded the motion.